

112TH CONGRESS  
1ST SESSION

# H. R. 1542

To amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of supermarkets in certain underserved areas.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2011

Mr. COHEN (for himself, Ms. FUDGE, Ms. RICHARDSON, Mr. JOHNSON of Georgia, Mr. CLARKE of Michigan, Ms. NORTON, Mr. BRADY of Pennsylvania, and Mr. BOSWELL) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of supermarkets in certain underserved areas.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Supermarket Tax  
5       Credit for Underserved Areas Act”.

1 **SEC. 2. TAX INCENTIVES FOR ESTABLISHMENT OF SUPER-**  
 2 **MARKETS IN CERTAIN UNDERSERVED AREAS.**

3 (a) IN GENERAL.—Subchapter Y of chapter 1 of the  
 4 Internal Revenue Code of 1986 is amended by adding at  
 5 the end the following new part:

6 **“PART IV—TAX INCENTIVES FOR SUPERMARKETS**  
 7 **IN UNDERSERVED AREAS**

“Sec. 1400V–1. Increased rehabilitation credit.

“Sec. 1400V–2. Increased work opportunity tax credit.

“Sec. 1400V–3. Credit for sales of locally grown fresh fruits and vegetables.

“Sec. 1400V–4. Definitions.

8 **“SEC. 1400V–1. INCREASED REHABILITATION CREDIT.**

9 “(a) IN GENERAL.—In the case of a qualified reha-  
 10 bilitated building (as defined in section 47) which is an  
 11 underserved area supermarket, subsection (a) of section  
 12 47 shall be applied—

13 “(1) by substituting ‘12 percent’ for ‘10 per-  
 14 cent’ in paragraph (1), and

15 “(2) by substituting ‘24 percent’ for ‘20 per-  
 16 cent’ in paragraph (2).

17 “(b) UNDERSERVED AREA SUPERMARKET.—For  
 18 purposes of subsection (a), a qualified rehabilitated build-  
 19 ing shall be treated as meeting the requirements of sub-  
 20 paragraphs (A), (B), (C), and (D) of section 1400V–  
 21 4(a)(2) if it is reasonable to believe that such building will  
 22 meet such requirements as of the close of the taxable year  
 23 in which such building is placed in service.

1 “(c) TERMINATION.—Subsection (a) shall only apply  
2 to buildings placed in service after December 31, 2011,  
3 and before January 1, 2014.

4 **“SEC. 1400V-2. INCREASED WORK OPPORTUNITY TAX CRED-**  
5 **IT.**

6 “(a) IN GENERAL.—In the case of an individual em-  
7 ployed in the trade or business of operating a new under-  
8 served area supermarket, the limitation otherwise in effect  
9 under paragraph (3) of section 51(b) with respect to such  
10 individual shall be increased by \$1,000.

11 “(b) TERMINATION.—Subsection (a) shall only apply  
12 to wages paid in taxable years beginning after December  
13 31, 2011, and before January 1, 2017.

14 **“SEC. 1400V-3. CREDIT FOR SALES OF LOCALLY GROWN**  
15 **FRESH FRUITS AND VEGETABLES.**

16 “(a) IN GENERAL.—For purposes of section 38, the  
17 underserved area supermarket fruit and vegetable credit  
18 determined under this section for the taxable year is 15  
19 percent of the gross receipts from the retail sale of locally  
20 grown fresh fruits and vegetables in the trade or business  
21 of operating a new underserved area supermarket.

22 “(b) TERMINATION.—Subsection (a) shall only apply  
23 to taxable years beginning after December 31, 2012, and  
24 before January 1, 2017.

1 **“SEC. 1400V-4. DEFINITIONS.**

2 “For purposes of this part—

3 “(1) UNDERSERVED AREA SUPERMARKET.—

4 The term ‘underserved area supermarket’ means any  
5 supermarket located in an underserved area.

6 “(2) NEW UNDERSERVED AREA SUPER-

7 MARKET.—The term ‘new underserved area super-

8 market’ means any underserved area supermarket

9 which—

10 “(A) is placed in service after December

11 31, 2011, and

12 “(B) was not a supermarket at any time

13 during the 3-year period ending on the date

14 such underserved area supermarket is placed in

15 service.

16 “(3) SUPERMARKET.—The term ‘supermarket’

17 means any building if—

18 “(A) not less than 12,000 square feet and

19 not more than 80,000 square feet of such build-

20 ing is used for selling items at retail,

21 “(B) at least 7 percent of the square feet

22 of such building which is used for selling items

23 at retail is used for selling produce, meat, fish,

24 deli, and dairy items,

1           “(C) gross sales of items sold at retail  
2           from such building exceed \$2,000,000 annually,  
3           and

4           “(D) at least 7 percent of such gross sales  
5           are attributable to sales of produce, meat, fish,  
6           deli, and dairy items.

7           “(4) UNDERSERVED AREA.—The term ‘under-  
8           served area’ means—

9           “(A) any enterprise community or em-  
10          powerment zone with a designation in effect  
11          under section 1391, and

12          “(B) any renewal community with respect  
13          to which a designation was in effect under sec-  
14          tion 1400E on December 31, 2009.”.

15          (b) CREDIT TO BE PART OF GENERAL BUSINESS  
16 CREDIT.—Subsection (b) of section 38 of such Code (re-  
17 lating to general business credit) is amended by striking  
18 “plus” at the end of paragraph (35), by striking the period  
19 at the end of paragraph (36) and inserting “, plus”, and  
20 by adding at the end the following new paragraph:

21          “(37) the underserved area supermarket fruit  
22          and vegetable credit determined under section  
23          1400V–3.”.

- 1       (c) CLERICAL AMENDMENT.—The table of parts for  
2 subchapter Y of chapter 1 of such Code is amended by  
3 adding at the end the following new item:

“PART IV. TAX INCENTIVES FOR SUPERMARKETS IN UNDERSERVED AREAS”.

